

AMERICAN ASSEMBLY OF COLLEGIATE SCHOOLS OF BUSINESS

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Minutes of the Meeting  
of the  
BOARD OF DIRECTORS

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April 30, 1976

Atlanta, Georgia

American Assembly of Collegiate Schools of Business  
760 Office Parkway, Suite 50  
St. Louis, Missouri





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## APPENDIX A Proposal for Committee on Accounting Education

## APPENDIX B AACSB Accreditation Council Standards: Is a New Approach Needed? (R. Weeks)

Present, But Not Voting: AACSB Staff: Mr. Laidlaw, Mr. Stone, Mr. Hayden,  
Miss Lauchner

President William C. Flewollen, Jr., called the meeting to order at  
1:25 p.m.

### I. REPORT OF THE MANAGING DIRECTOR

Mr. Laidlaw reported that word was received earlier in the week from the International Paper Company Foundation of its approval of a grant for \$10,800 to the AACSB for the purpose of funding the Business Futures for Women Program to be held on the campus of New York University during the summer of 1976. The program is the first of a series designed to increase enrollments for women in collegiate education for business and is one phase of the major proposal developed by the AACSB Committee on Equal Opportunity for Women during the past year.

Also, the full-scale proposal developed by the AACSB Committee on Accreditation Research has been submitted to the Fund for Improvement of Postsecondary Education (FIPSE) for funding and word from FIPSE regarding this proposal is expected in the near future. The proposal includes a request for \$25,000 to conduct a first-year feasibility study. Dean Hennessey has also submitted an application for support of the first phase of the Proposal for Accreditation Research to the Exxon Education Foundation.





# AMERICAN ASSEMBLY OF COLLEGIATE SCHOOLS OF BUSINESS

## Minutes of the Meeting of the Board of Directors

April 30, 1976

Atlanta, Georgia

Voting Members Present: Dean Flewellen, Dean Day, Mr. Albers, Dr. Ling, Dean H. J. Davidson, Dean D. B. Ford, Ms. R. C. Harris, Dean J. W. Hennessey, Dean J. D. Heysinger, Dean B. R. Moeckel, Dean L. W. Porter, Mr. C. W. Rodgers, Dean R. R. Weeks, Mr. T. L. Wilson, Dean V. K. Zimmerman

Voting Members Absent: Mr. R. D. Armiger, Dean R. M. Crowe, Dean E. J. Kelley

Present But Not Voting: AACSB Staff: Mr. Laidlaw, Mr. Slone, Mr. Hayden, Miss Lauchner

President William C. Flewellen, Jr., called the meeting to order at 1:25 p.m.

### I. REPORT OF THE MANAGING DIRECTOR

Mr. Laidlaw reported that word was received earlier in the week from the International Paper Company Foundation of its approval of a grant for \$10,800 to the AACSB for the purpose of funding the Business Futures for Women Program to be held on the campus of New York University during the summer of 1976. The program is the first of a series designed to increase enrollments for women in collegiate education for business and is one phase of the major proposal developed by the AACSB Committee on Equal Opportunity for Women during the past year.

Also, the full-scale proposal developed by the AACSB Committee on Accreditation Research has been submitted to the Fund for Improvement of Postsecondary Education (FIPSE) for funding and word from FIPSE regarding this proposal is expected in the near future. The proposal includes a request for \$75,000 to conduct a first-year feasibility study. Dean Hennessey has also submitted an application for support of the first phase of the Proposal for Accreditation Research to the Exxon Education Foundation.

## II. VICE PRESIDENT - PRESIDENT ELECT'S DUTIES

It was noted that any change in the duties of the Vice President-President Elect would require a change in the AACSB Bylaws.

It was moved, seconded, and APPROVED unanimously that the Board request the Articles and Bylaws Committee to examine and reorganize the duties of the Vice President-President Elect to eliminate that person's responsibility for Annual Meeting planning and report suggested revisions to the Board at its next meeting.

Dean Robert M. Crowe has agreed to assume the responsibility for planning the 1977 Annual Meeting in Toronto, Canada.

## III. RELATIONSHIP WITH AICPA

Dean Davidson distributed a proposed statement and recommendations for Board endorsement as the AACSB position concerning the recent Discussion Draft prepared by the AICPA Board on Standards for Programs and Schools of Professional Accounting. He explained that the statement he proposed indicates that it is impossible for the AACSB Board to respond to the Discussion Draft at the present time but that there is urgency among the AACSB membership regarding this matter and that further action will be taken by the Board when it has had sufficient time to completely analyze the implications of the Draft. He feels there is a need for much broader discussion of the issues involved--discussion to include the universities, other accounting organizations, and all segments of society which are affected.

Board members discussed at length the proposed statement, their interpretations of the sentiment of the AACSB membership with regard to the AICPA Discussion Draft, and various options the AACSB could take in responding to the Discussion Draft. It was noted that the sentiment of the AACSB membership seems to be that AACSB does need to do something about accounting education but questions the need for separate schools of accounting and/or separate accreditation of accounting programs. The membership also needs more time to review the Discussion Draft and to consider the possibility of joint cooperation in this matter between the two organizations.

Several amendments to Dean Davidson's statement were proposed by the Board members. Those accepted by majority vote were added to the statement and others were defeated by majority vote. In addition, Dean Davidson accepted several suggested revisions determined to be of an editorial nature.

It was moved and seconded that the statement as presented by Dean Davidson and amended by Board vote be endorsed by the AACSB Board of Directors as its current statement in preliminary response to the Discussion Draft prepared by



the AICPA Board on Standards for Programs and Schools of Professional Accounting.

The motion was APPROVED by majority vote. (Mr. Albers and Mr. Rodgers voted against approval of the statement.)

(The Statement as approved by the AACSB Board appears as Appendix A.)

It was noted that Deans Flewellen and Day have been invited to attend as observers a May meeting of the AICPA committee which has been appointed to begin working on the AICPA Standards. It is anticipated that information gained from this meeting will provide valuable input for shaping AACSB's official response to the Discussion Draft.

#### IV. RELATIONSHIP WITH NASPAA

Members of the Board discussed the position it should take with regard to developments in the public administration area and its relationship with the National Association of Schools of Public Affairs and Public Administration. It was felt that the Board and other accreditation committees of the AACSB should proceed with careful consideration of the issues involved and should establish direct contact with NASPAA at this time concerning the accreditation of public administration programs.

It was moved, seconded, and APPROVED unanimously: 1) that the AACSB is going to begin examining accreditation of public administration programs and invites NASPAA to join the AACSB in this examination, and 2) that the Operations Committee direct the Standards Committee to begin to re-examine AACSB's philosophy towards accreditation along the lines presented in Dean Weeks' paper. (Appendix B)

#### V. LONG-RANGE PLANNING COMMITTEE REPORT

Reference was made to the discussion at the previous Board meeting on the extensive report and recommendations prepared by the Long-Range Planning Committee. Earlier concern about the composition of the Management Committee (as outlined in the report) was withdrawn.

It was moved, seconded, and APPROVED unanimously to implement the report of the Long-Range Planning Committee.

Action: President Flewellen was instructed to charge the Articles and Bylaws Committee to implement the revisions in the Bylaws as proposed by the Long-Range Planning Committee's report.

## VI. NEXT BOARD MEETINGS

The next meeting of the Board of Directors will be held in Boston on October 19 and 20, 1976 in conjunction with the meeting of the Intercollegiate Case Clearing House. The Officers and Long-Range Planning Committee will also meet during this period.

Further consideration of publishing the report of the Educational Innovation Committee in the AACSB Bulletin was deferred to the October Board meeting.

Action: Board members were asked to communicate to the St. Louis Office the dates of their availability in January 1977 for the Board meeting to be scheduled during that month.

## VII. ADJOURNMENT

It was moved, seconded, and APPROVED unanimously that this first meeting of the 1976-77 Board of Directors be adjourned at 2:50 p.m.



PROPOSAL FOR COMMITTEE ON ACCOUNTING EDUCATION  
(Suggested Title)

Approved April 30, 1976

In September 1973, the American Institute of Certified Public Accountants (AICPA), announced that: "The Institute strongly endorses any action which provides such strong professional programs (of accounting). As one way, and perhaps the preferable way, of achieving an increased emphasis on the professional dimension of the discipline, the Institute endorses and encourages the establishment of schools of professional accounting at qualified and receptive colleges and universities."

Subsequently, in July 1974, the AICPA appointed a Board on Standards for Programs and Schools of Professional Accounting (BSPSPA). The membership of BSPSPA consisted of three members from the AICPA, three members from the American Accounting Association (AAA), three members from the American Assembly of Collegiate Schools of Business (AACSB), and three members from the National Association of State Boards of Accountancy (NASBA). BSPSPA was charged "to identify those standards that, when satisfied by a school, would justify its recognition by the accounting profession. . . ."

In April 1976, BSPSPA published a Discussion Draft of Standards for Professional Accounting Programs and Schools. BSPSPA has stated that a wide exposure of its draft will be beneficial to the further development of standards and has solicited review and reaction.

At this point in time, many of the deans of member schools and members of the Board of AACSB have reviewed the Discussion Draft of BSPSPA on a preliminary basis. This preliminary review suggests, on the basis of informal discussion among the members of the AACSB at its 1976 Annual Meeting, a substantial block of opinion not favoring separate accreditation or separate schools of accounting. On the basis of the preliminary review, the Board of AACSB concludes that the proposals of BSPSPA have far-reaching consequences which deserve in-depth analysis on a priority basis. In the opinion of the Board of AACSB, the proposal of BSPSPA will affect:

1. the quality of education for students who will enter the professional practice of certified public accounting;
2. the quality of education for students who will enter non-professional or professional practice in other areas of accounting;
3. the quality of education for students who will enter the practice of management in areas other than accounting;

4. the organizational structure of schools and colleges that teach the management of complex organizations and the larger organizational structures of the universities of which these schools and colleges are a part;
5. the current balance of accountability and control exercised by various segments of society over the education of those who aspire to become either CPA's, specialists in other areas of management, or general managers;
6. the distribution of the costs of education to various segments of society: professional accounting firms, businesses, universities, and society at large;
7. the nature and quality of research in doctoral education in accounting and allied areas of knowledge and professional practice; and finally,
8. the public interest of United States society.

With these areas of potential consequence and as the only organization which currently represents the chief provider of formal education in accounting and management for American society, AACSB believes it has a special responsibility to respond, on its own behalf, and to encourage its members and other affected parties, on their own behalfs, to respond to the proposal by BSPSPA. Accordingly, the Board of AACSB approves the following course of action:

1. It approves the establishment of a Committee on Accounting Education (CAE) to evaluate the proposal of BSPSPA in view of the consequences previously enumerated and such other consequences as CAE may deem pertinent. The President of AACSB is empowered to appoint the membership of CAE. CAE is charged with preparing and submitting a final report to the AACSB Board of Directors by October 1, 1976.
2. It encourages the prompt communication to CAE by August 1, 1976 of the views of members of AACSB.
3. It intends to prepare a position paper at the Board meeting in October 1976, following receipt of the CAE report on views of the membership.



4. It encourages members of AACSB to make their own views known to other parties who are potentially affected by the proposals of BSPSPA and to encourage these other parties to make known their views to BSPSPA, other members of AICPA, and AACSB. Such other parties include: members of accounting faculties; presidents of universities; the American Accounting Association; the Financial Executives Institute; other accounting organizations such as the Federal Government Accountants Association, the National Association of Accountants, and the Institute of Internal Auditors; business executives; members of government; and other interested parties.

BY  
Richard R. Weeks, Dean  
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University of Rhode Island  
302 Ballantine Hall  
Kingston, Rhode Island 02881

June 1976  
(Revised)





AACSB ACCREDITATION COUNCIL STANDARDS:  
IS A NEW APPROACH NEEDED?

APPENDIX B

AACSB ACCREDITATION COUNCIL STANDARDS:

IS A NEW APPROACH NEEDED?

BY

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College of Business Administration  
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302 Ballentine Hall  
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June 1976  
(Revised)



AACSB ACCREDITATION COUNCIL STANDARDS:  
IS A NEW APPROACH NEEDED?

Many changes have taken place in the environment during the past two decades which have posed new opportunities and challenges for collegiate schools of business administration. Schools have responded to these opportunities through curricular revision and new program development, but these changes have been slower than might be expected in such dynamic surroundings. The purpose of this article is to examine briefly some of the environmental pressures requiring new responses, review some of the changes which have taken place, and analyze the role of the Accreditation Council of the American Assembly of Collegiate Schools of Business in encouraging or inhibiting innovative new approaches. Some alternative approaches will be examined, possible external barriers to these approaches will be presented, and a recommendation for action will be set forth.

### The Changing Environment

Much has been written in management literature about fundamental shifts which have occurred in the environment during the past twenty years, and about the impact of these shifts on the practice of management. Several of these changes provide a useful background against which Accreditation Council activities can be analyzed, and they are presented here for that purpose:

1. *Knowledge Explosion:* Breakthroughs in technology, in electronics in particular, have led to a geometric increase in knowledge commonly referred to as the "knowledge explosion." Available knowledge is estimated to have more than doubled during this twenty year period,<sup>1</sup> and this incredible growth in knowledge

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<sup>1</sup>John F. Mee, "The Explosion of Knowledge," Economy and Society - Contemporary Views, Beta Gamma Sigma, St. Louis, Missouri, p. 5.



led to many changes in the management of businesses, government agencies, health care institutions, etc. It has also made the task of keeping up with and teaching the latest theories, concepts and techniques a very difficult one, and has heightened the necessity of instilling in the student a commitment to continued self-development and life-long learning.

2. *Growth in the Public Sector.* Public sector expenditures have grown dramatically during the past two decades, and the need for improved management of these activities has been highlighted by Watergate, the economic crisis in New York City, and the rapidly increasing size of the Federal deficit. Total Federal government expenditures prior to 1940 were not as great as the amount now spent each year,<sup>2</sup> and the amount spent each year increases dramatically over the preceding year. "The first year the Federal government went above the \$100 billion mark was in 1962. It passed the second hundred billion mark (in 1971). About one-fourth to one-fifth of our total gross national product comes from Federal government sources."<sup>3</sup>

3. *Increasing Complexity of the Business, Government, and Labor Interface.* As our society grows and absorbs new technology, organizational interrelationships become increasingly complex. Socio-economic problems such as crime, transportation, ecology, energy, nutrition, public health, and welfare impact business, government, and labor and require multidisciplinary solutions. It

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<sup>2</sup>Leo Herbert, "The Business-Government-Education Interface," Designing a Blueprint for Progress - Education for Business and Administration, Proceedings, Annual Meeting of AACSB, 1971, St. Louis, Missouri, p. 14.

<sup>3</sup>Ibid.

is impossible to ignore the influence major changes in one sector will have on other sectors, and management training must provide breadth of background and knowledge so that these complex inter-relationships can be understood.

4. *Changing Social Values and Expectations.* Public expectations about the performance of large corporations have shifted dramatically during the past two decades. They are being judged not only by their ability to generate profit, but by their contribution to society as a whole. These changing social values and expectations are reflected in the thrust to weigh material progress against the quality of life, the rise of consumerism, and the press for equal employment opportunities for minorities and women. A similar shift has taken place in the public sector where the government is often being asked to place human values over material values. Professional managers need to develop a sensitivity beyond financial considerations. They must become aware of the variety of goals which must be implanted in our organizational systems, and must supplement financial goals with goals designed to improve society.

5. *Geographic Mobility.* Improvements in worldwide transportation and communication systems have brought about the era of the multinational firm and created complex global management systems. Today's managers must understand differences in cultures, political systems, economic systems, and legal systems, and must understand their interrelationships. Management training must include sufficient exposure to these differences and their complex inter-relationships so that adequate consideration can be given to them in the decision making process.



These fundamental shifts in the environment have presented schools of business administration with new opportunities and challenges. Training must be provided for the management of high technology in a pluralistic country. Managers must be trained who have the breadth of background to understand multinational considerations, social concerns and quality of life considerations, and the complex interrelationships of business, labor, and government. Managers must be trained who have the decision-making skills to manage not only the profit-oriented activities of business, but public sector activities as well. Managers are needed for our Federal, state, and local governments, health care institutions, and educational institutions. Finally, this training must be provided at times, locations, and in manners which will make it possible for managers to continually update and add to their skills.

#### Response by Collegiate Schools of Business Administration

Collegiate schools of business administration have responded to changing environmental pressures by making deliberate changes in their mission, programs, curricula, and delivery systems. Schools which had traditionally offered programs only in business administration began to offer programs devoted to management of non-profit organizations such as hospitals, management in the public sector, management tool areas such as operations research, and management in a generic sense. Many schools changed their names to indicate the broadening of mission and programs, and many more made substantive programmatic changes without changing their traditional names. In addition, many schools added innovative delivery systems to make their programs more easily available to broader numbers of people.



The extent of these changes is indicated by a review of titles and programs. Eighteen accredited schools of business administration have changed their names during the past three years to incorporate "management" as distinct from "business" in their title. A survey of AACSB members plus a few non-affiliated members which was conducted recently by the AACSB staff showed that eighty-nine business schools now offer areas of specialization in public administration (fifty-three at the undergraduate level, forty-six at the master's level, and three at the doctor's level) and fifty-nine now offer areas of specialization in hospital administration or health care (twenty-three at the undergraduate level, thirty-nine at the master's level, and seven at the doctor's level). Recent reports to the Continuing Accreditation Committee of AACSB under Standard VIII-C cover programs leading to degrees of Master of Science in Organizational Behavior; Master of Management Science; Bachelor of Science in Hotel, Restaurant and Tourism Administration and Master of Science in Health Care.<sup>4</sup> In addition, a 1975 study identified five different types of nontraditional programs in business administration, some of which are offered by AACSB accredited schools.<sup>5</sup>

This shift in mission, programs, curricula, and delivery systems has created a much broader, more diverse, and more complex array of programs, and has greatly complicated accreditation evaluations and judgments. Schools are now using faculty and other

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<sup>4</sup>Minutes, Continuing Accreditation Committee, AACSB, January 5-6, 1976 Meeting, St. Louis, pp. 8-10.

<sup>5</sup>Richard R. Weeks and Albert J. Kelley, "Nontraditional Study in Business Administration," AACSB Bulletin, October 1975, Vol. 12, No. 1, pp. 50-51.

resources in these new programs which are frequently not included in our accreditation reviews, and this is causing growing concern among AACSB accreditation committees. Since AACSB accreditation is focused on undergraduate and/or master's degree programs offered by a school, excluding these new programs from our evaluations makes it necessary to question the effectiveness with which we fulfill our obligations to the consuming public.

### Changes in AACSB Standards

In order to examine the role of the Accreditation Council of AACSB in encouraging or inhibiting new programs and approaches, it is useful to review recent changes in standards to determine the direction in which schools are being encouraged to move. Several changes which have been made have clearly been designed to respond to some of the fundamental shifts which have taken place in the environment. These changes include:

1. the development of a common body of knowledge requirement designed to provide schools with more latitude in shaping their curricula to meet broader and more diverse objectives;
2. the addition of a requirement that international material be built into curricula;
3. the addition of a requirement that curricula provide "a background of the economic and legal environment as it pertains to profit and/or nonprofit organizations along with ethical considerations and social and political influences as they affect such organizations;"
4. the development of a standard designed to encourage educational innovation and the development of new learning approaches and technologies; and
5. the development of a precondition to the standards which makes it possible for schools to gain accreditation for nontraditional programs.

While these changes provide impressive evidence that the Accreditation Council has taken a leadership role in encouraging business schools to adjust their mission, programs, curricula, and delivery systems to meet environmental needs, there are still many who believe that these changes have not been sufficient. A recent report of the AACSB Committee on Innovation made the following points:

The perceived lack of flexibility in AACSB accreditation standards does not appear to provide adequate incentive for innovation and change while offering considerable downside risk to schools desiring to retain or seek accreditation. It is important to stress that the AACSB has been working diligently for several years to provide new opportunities for innovation; however, these changes are not perceived by the membership to be adequate and the results have not been encouraging. The latter is well illustrated by the fact that at the present time there are only two programs approved by the AACSB on the basis of experimental design and both of these are experimenting only with delivery systems and not content.<sup>6</sup>

Current standards are directed at baccalureate and master's degree programs leading to degrees in business administration.

"Other programs offered by the unit seeking or holding accreditation will be examined unless that unit can demonstrate that the content and degree designation of such programs represent objectives and goals which are distinct and different from those set forth for its programs leading to business administration degrees."<sup>7</sup>

Thus programs in public administration, hospital administration or health care, and the management of other nonprofit organizations have been excluded from AACSB accreditation review. Simi-

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<sup>6</sup>"The Future of Management Education and the Role of the American Assembly of Collegiate Schools of Business," Report of the AACSB Committee on Innovation, December 5, 1975, pp. 5-6.

<sup>7</sup>"AACSB Accreditation Council Policies, Procedures and Standards," 1976-77, p. 13.



larly, doctor's degree programs have never been considered for AACSB accreditation. With the major shift which has taken place in the mission, programs, curricula, and delivery systems of colleges of business administration, it seems appropriate to question whether limiting AACSB accreditation to baccalaureate and master's degree programs in business administration remains the best alternative or whether other alternatives offer better solutions for fulfilling public responsibilities inherent in the voluntary accreditation process.

#### Alternatives Available

There are a number of alternative approaches which might be pursued by the Accreditation Council in handling its accrediting responsibilities. The purpose of this section is to present several of these alternatives and to discuss some of the advantages and disadvantages of each in light of the shifts which have just been discussed. The alternatives presented are not exhaustive, but they do represent the major approaches which have been discussed during the past few years.

Before turning to the alternatives, however, some general comments which apply to all of the alternatives are in order. First, our accreditation is voluntary in nature, i.e., schools of business administration may operate legally without endorsement by the Accreditation Council of AACSB. Since there are no licensure requirements which require graduation from an accredited program for access to a profession, schools must seek accreditation because they are dedicated to the maintenance of quality education and for the "stamp of approval" which accreditation implies. The process of self-evaluation and external review is at the heart of

the accreditation process which is "member oriented" in that it is operated by the Accreditation Council which is made up of schools which are subject to evaluation. Accreditation is "public oriented" in that it is devoted primarily to maintaining those minimal educational standards which will provide assurance to the public of the quality and integrity of the educational process. Because of the voluntary nature of accrediting, and because licensure is not required, accreditation by the Accreditation Council does not, unfortunately, provide protection to the public from irresponsible operations or from "flaky" programs.

1. *Current Approach.* Our current approach to accreditation is directed at all baccalaureate and master's degree programs leading to degrees in business administration. It has the advantage of covering what has been the great bulk of our educational programs, i.e., baccalaureate and master's degree programs designed to train students for careers in the management of business enterprise. It has the advantage of having a clear focus on the business sector, which is the sector the schools were originally designed to serve. It provides a mechanism for accrediting programs in the specialized tool areas of business, and provides a mechanism for evaluating non-traditional programs. In addition, we have lengthy experience and expertise in applying this approach.

On the negative side of the ledger, however, is the fact that it does not provide a mechanism for considering other non-profit oriented programs such as Master of Public Administration programs. This leaves open the possibility that other accrediting agencies might move in to cover this void, and presents the worrisome possibility that at some point schools of business might have several



accrediting agencies accrediting parts of their operation. It does not provide a mechanism for accrediting programs at the doctor's degree level. Finally, it utilizes "input" standards as opposed to "output" standards.

2. *Three Levels of Accreditation.* This approach would establish three sets of standards for programs leading to degrees in business administration. It was first presented for consideration to the Standards Committee of the Accreditation Council by Dean T. R. Martin in 1973 when he was serving as Chairman of the Committee. As explained by Dean Martin:

The idea is to establish three sets of standards. Institutions would be divided into three categories: undergraduate only; graduate but no doctorate; doctoral granting. Appropriate standards would be devised for each category. After a grace period, probably of several years, each presently accredited institution would be expected to be in compliance to the standards applicable to it....<sup>8</sup>

This approach would have the advantage of recognizing that schools have different missions:

At one extreme are those with substantial doctoral programs and ambitious research goals. At the other is the undergraduate-only school, typically with very modest research goals. A school's mission is or should be very largely implied by the level of its programs--thus the three categories above.... One of the objectives I have in mind is to give the smaller schools something to shoot for. At present, they tend to look at the Standards and say, 'No way.' From an accrediting standpoint, they have no incentive to upgrade themselves. A good set of standards, for schools offering only undergraduate work, would give them an incentive. Then, the second-level standard would discourage them from offering MBA and other graduate programs for which they do not have adequate resources or demand.<sup>9</sup>

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<sup>8</sup>T. R. Martin, "Three Levels of Accreditation: An Idea for Consideration," Memorandum to the Standards Committee, December 27, 1973.

<sup>9</sup>Ibid.



This approach would provide a mechanism for accrediting all programs in business, including those that are doctoral granting. It has a clear focus on the business sector. It would provide a mechanism for accrediting programs in the specialized tool areas of business, and would provide a mechanism for evaluating non-traditional programs. New standards would have to be developed, but this would not appear to be too difficult except possibly at the doctoral level where we have no experience in developing standards.

Negative aspects of this approach include the failure to provide a mechanism for considering other non-profit oriented programs, again opening the possibility that other accrediting agencies will move in to fill this void. It also suffers from the utilization of "input" standards.

3. *Accreditation of Doctoral Programs in Business Administration.* This approach would require the development of standards for doctoral programs in business administration, but would utilize a single set of standards as is currently the case. A revised curriculum standard would have to be developed, and standards for admissions, personnel, and library would have to be reviewed and adjusted to expand their scope to include doctoral programs.

This approach has the advantage of providing a mechanism for consideration of doctoral programs, and this appears to be desirable as it seems inconsistent to make no qualitative assessment of the quality of the degree programs offering our highest degree when we are making such assessment at the baccalaureate

and master's degree levels. Accreditation offers guarantees of minimum quality to the consumers of graduates from our baccalaureate and master's degree programs, but we offer no similar guarantees to business schools as the major consumer of our doctor's degree programs. This approach, which has a clear focus on the business sector, would require the accreditation of all business programs simultaneously, and would make it necessary for schools to bring all programs to a minimum level of quality or drop those programs in which a minimum level of quality cannot be achieved as a condition of accreditation. It would provide a mechanism for accrediting programs in the specialized tool areas of business, and would also provide a mechanism for evaluating non-traditional programs.

A negative aspect of this approach is its failure to provide a mechanism for considering other non-profit oriented programs which have been a growing part of our educational programs. It also suffers from utilizing "input" standards as opposed to "output" standards.

4. *Accreditation of Non-Profit Management Programs.* This approach would require the development of standards to cover the accreditation of non-profit management programs such as Master of Public Administration programs and Master of Health Care Management programs. This could be done incrementally by developing standards for programs in public administration, for example, without developing standards for other non-profit programs. Or, standards could be developed which would also cover health care



and other non-profit programs as well. The possibility of moving incrementally is mentioned because of differing degrees of difficulty which would be encountered in moving into the accreditation of different types of non-profit management programs. This was recognized by the Operations Committee of the Accreditation Council in 1974 when it applied to the National Commission on Accrediting for expansion of the scope of the Accreditation Council accrediting activities. (Because NCA had only a short period of existence remaining, it chose not to act on this application.) The relevant parts of this application are presented below:

Public Management - Increasing numbers of schools of business (or management) are offering degree programs to prepare managers for public service. This trend is explained by several factors: (1) significant activity by the federal government as a recruiter and employer of business school graduates; (2) expanding programs in many areas of state and local government; and (3) the theoretical orientation of many traditional public administration programs compared to the action and decision-making orientation of business school programs.

These programs, where offered by a school of business or management accredited or seeking accreditation by AACSB affect all of the basic dimensions normally examined in the accreditation process: objectives, admissions, faculty, curriculum, library, physical and financial resources. It is unrealistic to attempt to review a school of business or management for accreditation when part of its faculty and resources are devoted to teaching management application in the public sector and the scope of AACSB's interest is confined to "business" or the private sector.<sup>10</sup> (Footnote mine)

Recommendation - In that there is no body recognized to accredit in public management and the policy of the National Commission is to serve accreditation needs wherever possible through already recognized agencies, the scope of AACSB accreditation be understood to include public management degree programs where those programs are offered by the unit of the university accredited or seeking accreditation by the AACSB.

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<sup>10</sup>For a most useful analysis of what would be involved in accrediting public administration programs see W. C. Flewellen, Jr. and Barbara Huff, "A Comparison of the AACSB Standards and the NASPAA Guidelines for Masters Degrees: MBA/MPA," AACSB Bulletin, Vol. 12, No. 3, April, 1976, pp. 30-34.



Health Care Management - Growing number of schools of business (or management) have begun to offer or participate in offering degree programs designed to prepare managers for health care organizations. While the degree designation used for these programs, the unit responsible for the program, and the unit awarding the degree vary rather widely from campus to campus, the school of business or management is often heavily involved in offering course work, especially in management related fields.

The trend toward development of these new health care management programs severely complicates conduct of the AACSB accreditation process in two specific ways. First these new programs often affect many of the dimensions of a school examined in the accreditation review and yet the field of health administration lies outside the purview of AACSB accreditation interest. Thus, while the school's objectives, student body, faculty, curricula and physical and financial resources are all influenced by a new health management program, its real effects cannot be legitimately investigated in the AACSB accreditation evaluation.

The second way in which health management complicates AACSB accreditation work is through the large number and variety of units in the university and outside organizations having interest in the field. Specifically, four or more schools in a university may be involved in such a program: Medicine, Business, Public Health, and Hospital Administration. At least three specialized accrediting agencies have legitimate interest in these programs: the Association of University Programs in Health Administration; the new accrediting council now being created in the Public Health field; and AACSB.

AACSB recognized the need for future cooperation at the time AUPHA received recognition from the National Commission. AACSB proposed informally to AUPHA the establishment of some type of continuing committee or panel to work jointly on those accreditations in which both organizations had interest. Unfortunately, no such mechanism was developed.

Recommendation - Because of growing complications in AACSB's accrediting activity and because of current developments in the Public Health field the time appears appropriate for the National Commission to act. Specifically, it is recommended that the National Commission on Accrediting create a joint council to govern accreditation in the health management field with membership on the council to come from the three accrediting bodies listed above and that the council be founded and ready to operate in 1975.<sup>11</sup>

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<sup>11</sup>"Accreditation Activities of the American Assembly of Collegiate Schools of Business: A Statement of Problems and Recommendations," Report Submitted by the Operation Committee to the National Commission on Accrediting, January 14, 1974.

Moving to accredit public management programs would have the advantage of bringing these activities under review in the accreditation process and providing a more complete look at the school's mission, utilization of resources, curriculum, etc. This would seem to provide greater assurance to the public of the quality and integrity of the programs offered by the schools which we accredit. It would also facilitate the treatment of management generically. This has the advantage of encouraging the teaching of concepts, principles, theories, and systems from the standpoint of applicability to all organizations as opposed to just business organizations, but does tend to alter the mission for which many of our schools were originally established. Treating management generically offers the promise of significant dollar savings through more efficient utilization of resources. This approach also offers the advantage of providing a mechanism for accrediting programs in the specialized tool areas of business, and would provide a mechanism for evaluating non-traditional programs.

On the negative side, this approach does not provide a mechanism for accrediting programs at the doctor's degree level. It also has the disadvantage of utilizing "input" standards as opposed to "output" standards.

5. *Accrediting Schools.* A decision to accredit schools would mean the Accreditation Council would move to evaluate all programs offered by the school in the accreditation process. All business programs, including those in the specialized tool areas of business would be evaluated, as well as all public non-profit oriented management programs. All levels of programs would be evaluated, meaning that all baccalaureate, master's and doctor's



degree programs would be evaluated. All non-traditional programs would also be evaluated. This approach was recently recommended for careful study and consideration by the AACSB Committee on Innovation:

The Innovation Committee reflected a strong consensus that more effective flexible accreditation standards are indicated while recognizing the previous efforts and the continuing need for specific criteria to evaluate an ever-widening variety of programs. The Committee engaged in a lengthy discussion concerning the accreditation of schools and colleges rather than specific individual programs, as is the practice of the medical, law, and other professional accreditation bodies. The advantages were thought to be many while the constraints appear to be relatively minor. Given the increasing load on the AACSB, including its various committees to accredit bachelor's level and master's level programs initially and now to reaccredit them as well, it is apparent that greatly increased revenues will be needed.

By applying standards similar to those now used to evaluate individual programs the adequacy of a total school's resources and offerings could be assessed overall. This would allow the AACSB to accredit all of the programs, degree and non-degree, private and public sector, at all levels offered by that school. The accreditation of the school or college as opposed to the individual program would sharply reduce the number of resources needed for visitations and yet provide the flexibility necessary for the school to offer innovative programs in new sectors, degree and non-degree, with new media and delivery systems as well. The Committee was very much attracted to this alternative as it appeared to solve many of the dilemmas currently facing the AACSB and recommended its careful study and consideration.<sup>12</sup>

This approach would have the advantage of examining in toto all programs offered by the school. It would provide assurance to the public that all programs offered by the school meet minimum levels of quality. It would facilitate the treatment of management generically and in so doing offer the possibility of significant dollar savings through more efficient utilization of re-

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<sup>12</sup>op.cit. "The Future of Management Education and the Role of the American Assembly of Collegiate Schools of Business," pp. 9-10



sources. It would also offer the promise of savings in the resources needed for accreditation visits as all programs would be examined simultaneously.

A negative aspect of this approach is that it suffers from the use of "input" standards as opposed to "output" standards. It should also be pointed out that a decision to examine in toto all programs offered by the school would almost certainly require broader, more flexible standards, and in many ways this would be desirable. However, great care would have to be taken to make certain that this would not lead to the same position in which regional accrediting now finds itself, i.e., being ineffective in applying anything but the most minimal standards. Hopefully, care should make it possible to avoid this potential pitfall.

6. *Development of Output Standards.* This approach would require the development of standards which would measure the "output" from our programs as opposed to the "input." Such measures could theoretically be extended to all of our programs at all levels. Current efforts of AACSB to develop such standards were described recently by Richard R. Weeks and Albert J. Kelley:

Discussions were initiated with the Educational Testing Service to consider mounting a joint research effort to study the validity of AACSB's Standards for accreditation of baccalaureate programs. These discussions led to the presentation of a draft proposal by the ETS staff to the Standards Committee at its November 13-15, 1972 meeting. The Standards Committee considered the proposal, then commended "the general research plan to the Board of Directors for adoption as an appropriate frame of reference and basis for which to proceed...." This matter was then referred by the Board to the Committee on Accreditation Research for its review and recommendations.... The Committee on Accreditation Research expects to have a proposal completed by July, 1975, and hopes to start talking to possible funding sources before the end of the summer.

Unfortunately, this proposed study, which would seem to provide the best long-run hope AACSB has for developing adequate performance-based standards for the evaluation of nontraditional programs, will take years to accomplish. Because of the present state of the science of learning measurement, the development of new tools for educational measurement will be necessary before the study can be completed. It would not seem unrealistic to predict that 1980 may be upon us before an initial study can be completed.<sup>13</sup>

The proposal referred to has now been submitted to a funding source, and is awaiting a decision. Assuming that this proposed study will lead to the development of "output" standards, there seems little doubt that this would offer the best approach for the Accreditation Council to follow. The substantial uncertainty which surrounds the possibility of developing such standards and the long period of time which will be required to work on such development makes it necessary to question, however, the prudence of doing no further work to extend the development of "input" standards until "output" standards can be developed.

#### External Barriers to Expansion of Scope

Before a decision is possible concerning the best approach for the Accreditation Council to follow, it seems wise to make certain that external barriers would not prevent AACSB from expanding the scope of its accrediting activities. Since AACSB receives its recognition as an appropriate accrediting body from the Council on Postsecondary Accreditation and from the Accreditation and Institutional Eligibility Staff of the U.S. Office of Education,

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<sup>13</sup>op.cit. Weeks and Kelley, p. 50.

how will these agencies view expansion of scope? This question was addressed by John R. Proffitt, Director of the Accreditation and Institutional Eligibility Staff, in a December 12, 1975 letter to Dr. Cyril C. Ling, Executive Vice President of AACSB:

There is one issue which you raise that I feel needs clarification. No accrediting agency needs authorization from the U.S. Office of Education to begin operation or extend its scope of operation. However, in its examination of an accrediting agency, the Office does specify the scope of recognition. There are accrediting agencies listed by the Commissioner of Education having wider scopes of operations than are currently recognized.

Kenneth Young, President of COPA, and James Phillips, Staff Associate of COPA, have indicated that legal council has advised COPA to take a position identical to the position which John R. Proffitt has set forth as the USOE position and this does represent the current position of COPA. This means there is no barrier as far as COPA or USOE is concerned to the Accreditation Council expanding its scope to accredit public non-profit management programs. There is no guarantee, of course, that AACSB would subsequently receive recognition from COPA or USOE as the authorized accrediting agency for public non-profit management programs which are offered in our schools, but since no other agency is currently accrediting in this area there is reason to hope that official recognition could be received.

Concerning the possibility of expanding scope to include the accreditation of doctoral programs, this situation is not as clear. The Board of Commissioners of the National Commission on Accrediting and the Council of the Federation of Regional Accrediting Commissions of Higher Education (the two organizations which



merged to form COPA) had joined with the Executive Committee of the Council of Graduate Schools in the United States to issue a policy statement which would seem to oppose such a move. The relevant sections of that policy are:

That specialized accreditation of particular graduate degree programs in a college or university should, in general, be avoided because it tends to force narrowness and conformity in graduate student experience and to retard graduate degree program evolution. In certain practice-oriented fields, however, special accreditation may be appropriate, but only provided it is conducted for practice-oriented graduate degree programs in those fields and by those organizations approved by the National Commission on Accrediting.

That two main types of graduate degree programs, with different primary objectives, may be recognized:

*research-oriented* graduate degree programs, where the primary objective is to train graduate students through the Master's or Doctor's level as preparation for scholarly or research activity directed mainly toward the acquisition of new knowledge, and completion of the program ordinarily is identified by award of the degree of Master of Arts (M.A.), Master of Science, (M.S.), or Doctor of Philosophy (Ph.D.), or

*practice-oriented* graduate degree programs, where the primary objective is to train graduate students through the Master's or Doctor's level as preparation for professional practice directed mainly toward the application or transmission of existing knowledge, and completion of the degree of Master of (Professional Field) e.g., Master of Education (ME), Master of Business Administration (MBA), Master of Social Work (MSW), Doctor of Arts (DA), Doctor of Musical Arts (DMA), etc.

COPA and the Council of Graduate Schools in the United States are in the process of establishing a task force to develop a new policy statement in this area and there is no way to prejudge the final position the task force will take on this matter. Even if a policy statement is drafted which would oppose AACSB accrediting doctor's degree programs, there would still seem to be no

insurmountable legal barrier to AACSB doing so. Schools would not be forced to seek AACSB accreditation since accreditation is a voluntary process, but if accreditation of doctor's degree programs is part of the overall accreditation process there is every reason to believe they would do so.

### Conclusions and Recommendation

After reviewing some of the environmental pressures requiring new responses and examining the shift in mission, programs, curricula, and delivery systems which business schools have made in response to these pressures, it is necessary to question the effectiveness of our current accrediting approach in fulfilling our obligations to the consuming public. The weight of the evidence would seem to indicate that a much broader approach is needed to fulfill Accreditation Council responsibilities. Careful and thoughtful analysis will be needed to determine the correct approach to select. For example, the current status of discussions with NASPAA and AUPHA will need to be considered, and the advisability of moving to accredit programs at the doctor's degree level will need to be weighed. Broad discussion of the various alternatives is needed so that there can be maximum input to the decision process. It is essential, however, that the Accreditation Council undertake such a review in the immediate future, as there is an increasing possibility that environmental pressures will start to pre-empt its options and foreclose its ability to determine its own destiny. The time to act is now, while that ability remains.







